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FPB-13-2

Federal-Provincial Conference on Housing
Conférence fédérale-provinciale sur le logement
january 22-23 janvier Ottawa



LAND AND NEW COMMUNITIES

Statement by
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Ottawa

Canada
[Conferences]

STATEMENT: LAND AND NEW COMMUNITIES

Land is a matter of concern to all Canadians and to their governments. The question of the cost to the individual citizen of owning land or using land to house himself, the question of the distribution of ownership of land between individuals of differing income levels, and between these individual citizens and land-owning and development corporations, the question of the amounts of land governments hold and make available for the common use -- these all affect in a very direct way the quality of life and the economic well-being of Canadians.

The objectives of government, at the federal, provincial and municipal level, seem clear. These are:

First: to ensure that there is an adequate supply of serviced land to accommodate Canada's fast-growing urban populations; their investments in land and infrastructure must keep pace and be co-ordinated with this need, if the availability of land is not to become a bottleneck, frustrating housing objectives and the possibility of ordered and aesthetic urban growth.

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Second: to ensure that there is equity in the distribution of land, between industry, commerce, public use and home ownership and rental accommodation, so that all Canadians will continue to have reasonable opportunity for the enjoyment of land without prohibitive cost to the individual. This is principally a matter of the application of the provincial legislative power to plan and regulate land use.

Third: to ensure that land markets operate effectively in the public interest. Transactions in land in Canada now amount to some one and a half billion dollars a year. These markets warrant the same degree of study and scrutiny by governments as markets of comparable national interest. They may well require somewhat more regulation than has so far been the case.

Too many indicators suggest that these objectives are not being met:

First of all, we are facing a radically different order of problem in the provision of sufficient serviced urban land: our projections indicate

that by the year 2000, urban population will have doubled. Most of the growth will be concentrated in the (19) major metropolitan areas. To accommodate this growth will require the development of over 200,000 acres of residential land in these centres within the next fifteen years. If the accompanying demand for other urban uses is added, the requirement for new urban space is in the order of 450,000 acres. Neither the federal government nor any provincial government has yet moved very far in the development of a comprehensive policy to meet this problem. That is the longer-term perspective.

More immediately, the pressures are already evident and need to be countered on an urgent basis.

The price of urban land is rising at a rapid rate.

In the last few years the rate of increase has been:

8% on a national average, and

12% in metropolitan areas

Some cities, such as Toronto, Vancouver, Sudbury and Ottawa, are experiencing even higher rates of increase.

Urban land prices are, in many areas, rising faster than the other prices. Between 1961 and 1971:

- land costs rose 88 percent;
- the consumer price index rose 33 percent;
- the construction cost index rose 46 percent.

This more rapid rate of land price increases affects the housing picture: fewer people are able to afford home ownership; more row housing and apartments are being built to economize on land, and lot sizes and floor areas are tending to be reduced.

The Government of Canada considers that the problems of price and the availability of serviced land in Canadian cities need to engage the immediate and concerted attention of all three levels of government. We are proposing that a major joint effort be made over the course of the next few months to set the basis for a federal/provincial land strategy. This strategy would direct itself towards:

- increasing the priority which all governments accord to land problems;
- increasing the resources devoted to meeting land problems;
- developing new means of accommodating urban growth other than by the continued expansion of existing urban centres;
- developing the full range of federal and provincial policy instruments needed to moderate land price increases.

I am proposing to take the following immediate actions in support of such a strategy:

- the level of funds available under the National Housing Act for public land acquisition and development will be increased: half a billion dollars will be allocated to this purpose over the next five years;
- The National Housing Act will be amended to provide assistance explicitly directed toward new community development. These provisions will provide aids not heretofore available and provide a federal focus for the

co-ordination of existing NHA programs.

In parallel with this, it is my intention that the Ministry of State for Urban Affairs will promote the co-ordination and channeling of the appropriate programs and aids of other federal departments and agencies in the direction of new community development;

The Municipal Sewage Treatment Loan Program of the NHA will be extended beyond the present expiry date of the present terms of assistance, the terms of assistance will be reviewed in consultation with the provinces to determine how the program can be made more effective, and the level of funding under this program will be continued at, at least, present levels for the next five years;

The terms of NHA financing for public land acquisition and development will be amended to make it easier for provinces and municipalities to take up the greater volume of funding which will be available.

These measures mean that the federal government will be making over one billion dollars available to provinces and municipalities over the next five years for investment in land and services and the development of new communities.

The provision of federal money alone, however, cannot resolve land problems in Canadian cities. The primary instruments to deal with these problems are provincial and municipal. They include the provincial/municipal powers of land use planning and regulation, provincial policies affecting the ability of municipalities to extend services to new residential land and to redevelop land, provincial policies on regional planning, regional development and regional government, municipal property tax systems, and the provincial power to regulate commerce in land. I believe all provinces recognize the need to bring these policy instruments into sharper focus on the problem of providing sufficient serviced land at reasonable prices.

At the same time I recognize the need to bring federal policies affecting land into closer alignment with provincial priorities and policies if an effective plan of action is to be mounted. I believe the most practical and the fastest way to attain the integration of policies and programs in this field, is to commit ourselves to the

development of a joint strategy which would encompass and hopefully make use of all the instruments that are available. To arrive at this strategy I propose an intensive process of consultation at the official level directed at developing proposals which we could consider at our next meeting. I have directed my officials to be ready for the first meeting within a month. I would like to suggest that for today we consider setting a definite agenda for this consultative process. There are four topics which I would like to see included:

- the level and allocation of federal and provincial public investment in land and services;
- objectives and guidelines for public land banking and development;
- ways and means of co-ordinating federal, provincial and municipal activities directed towards moderating land prices on an individual market basis;
- effects of federal, provincial and municipal taxes on the price and availability of land.

